GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2694
ANSWERED ON:13.03.2013
SAVING FACILITIES IN POST OFFICES
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether postal savings facilities are available in all the post offices functioning in the country including rural areas;

(b) if so, the details thereof, State-wise and if not, the steps taken by the Government to make such facilities available in all post offices;

(c) the comparative details of postal saving accounts and the amounts deposited respectively in rural and urban post offices, State-wise; and

(d) the measures being adopted by the Government for promoting postal savings in the rural areas?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. (SMT.) KILLI KRUPARANI)

(a) Madam, as on 31.3.2012, out of 153,218 post offices functioning in the country including rural areas, postal savings facilities are available in 153182 post offices.

(b) State-wise detail of total number of post offices and number of post offices in which postal savings facilities are available may be seen in the attached Annexure-A. A very few post offices where these facilities are not available were opened for the specific purpose of mail operations, and savings facilities are available in the nearby post offices.

(c) The comparative State-wise details of Saving Bank accounts and amount deposited therein in rural and urban post offices as on 31.3.2012 may be seen in the attached Annexure-B.

(d) Central and State Governments take various measures from time to time to promote and popularise small saving scheme through print and electronic media as well as by holding melas, seminars, meetings and providing training to the various agencies involved. Following specific measures were taken in last two years to make the small saving schemes more attractive:-

1. The rate of interest on Post Office Savings Account (POSA) has been increased from 3.5% to 4%. The ceiling of maximum balance in POSA 1 lakh in single account and 2 lakh in joint account has been removed.

2. The maturity period for Monthly Income Scheme (MIS) and National Savings Certificate (NSC) has been reduced from 6 years to 5 years.

3. A new NSC instrument, with maturity period of 10 years, has been introduced.

4. The annual ceiling on investment under Public Provident Fund (PPF) Scheme has been increased from ` 70,000 to ` 1 lakh.

5. Liquidity of Post Office Time Deposit (POTD) − 1, 2, 3 & 5 years − has been improved by allowing pre-mature withdrawal at a rate of interest 1% less than the time deposits of comparable maturity. For pre-mature withdrawals between 6-12 months of investment, Post Office Savings Account (POSA) rate of interest has been allowed.

6. The rate of interest on Small Savings Schemes has been aligned with Government-Security rates of similar maturity with a spread of 25 basis points (bps) in all schemes except 10 Years National Savings Certificates (IX-Issue) and Sr. Citizens Savings Scheme where the spread of 50 bps and 100 bps has been given respectively (100 bps are equal to 1%). Interest rate for every financial year will now be notified before 1st April of that year. The Interest Rates of Small Savings Schemes notified from 1.4.2012 are given below:-

Scheme	Rate of Interest in % w.e.f. 1.4.2012
Savings Account Deposit	4.0
1 year Time Deposit	8.2
2 year Time Deposit	8.3

3 year Time Deposit	8.4
5 year Time Deposit	8.5
5 year Recurring Deposit	8.4
5 year Sr. Citizens Savings Scheme	9.3
5 year Monthly Income Accounts	8.5
5 year National Savings Certificates (VIII-Issue)	8.6
10 year National Savings Certificates (IX-Issue)	8.9
Public Provident Fund	8.8